**Senior Moments**
with Emma Edwards

# *Spreading potpourri of words*

Last week's column encouraged us to encourage others and, in so doing, we'd feel encouraged ourselves. It drew my attention to the following little lesson that would have fit in just fine.

It is called a short lesson on positive thinking.

• If you fail, don't give up because FAIL means *First Attempt In Learning*.

• End is not the end. In fact, END means *Effort Never Dies*.

• If you get "no" as an answer, remember NO means *Next Opportunity*.

While trying to get started on today's column, I found the following chuckle in one of my many bills. No pun intended, as I know most of us have many bills.

Anyway, the question was "What is wrong with a blunt pencil? Answer, *it's pointless*.

As for the word pointless, it has been around since 1532 (in case you were wondering) and is synonymous with senseless. See, there was a point in sharing this!

The other day, someone referred to a mirror as a "looking glass."

It brought me back about 75 years, when my little sister and I had a vanity in our bedroom with a stool in front of it and drawers angled out on either side of the oval mirror at its focal point.

We called it a looking glass, so when did it evolve into a mirror? Seems that happened way back in the 13th century, but became rather the "rule of thumb" (or mirrors) in 1835.

Think about it.

A looking glass mirrors our reflection as we gaze into it. Just as when we lean over a reflective body of water, it mirrors or reflects our face or the clouds overhead. Kind of like looking into Crater Lake. Or, gazing into Clear Lake in Northern California.

So, why share that? I call it potpourri, which most of us enjoy from time to time as "a mixture of dried petals and leaves from various flowers and plants that is used to give a room a pleasant smell."

I save up fun thoughts and, once in a while, it gives us (probably mostly me) a "pleasant aura or feeling as we reflect on this potpourri of various thoughts."

By the way, I so appreciate those of you sending me your thoughts and ideas.

I got to thinking how the masks and face shields we're required to wear in stores or other closed-in areas give us more time every day.

Think about how they mess up our hair and hide half our face. Good and bad I suppose? Hey, are we having too much fun?

By the way, did you know you can't see your ears without a mirror?

**Financial Focus**
with Adam Miller

# *Ensuring you don't outlive your income*

The investment world contains various risks. Your stocks or stock-based mutual funds could lose value during periods of market volatility.

The price of your bonds or bond funds could also decline, if new bonds are issued at higher interest rates. But have you ever thought about *longevity risk?*

Insurance companies and pension funds view longevity risk as the risk they incur when their assumptions about life expectancies and mortality rates are incorrect, leading to higher payout levels.

But for you, as an individual investor, longevity risk is less technical and more emotional: it's the risk of outliving your money.

To assess your own longevity risk, make an educated guess about your life span, based on your health and family history.

Consider some statistics: Women who turned 65 in April can expect to live, on average, until age 86.5; for men, the corresponding figure is 84, according to the Social Security Administration.

Once you have an estimate of the number of years ahead, take steps to reduce your longevity risk. For starters, try to build your financial resources; the greater your level of assets, the lower the risk of outliving them. So, during your working years, keep contributing to your IRA and your 401(k) or similar employer-sponsored retirement plan.

Then, as you near retirement, do some planning. Specifically, compare your essential living expenses – mortgage/rent, utilities, food, clothing, etc. – with the amount of income you'll get from guaranteed sources, such as Social Security or pensions.

You do have some flexibility with this guaranteed income pool. For example, you can file for Social Security benefits as early as 62, but your monthly checks will then be reduced by about 30 percent from what you'd receive if you waited until your full retirement age, which is likely between 66 and 67.

You might also consider other investments that can provide a steady income stream. A financial professional can help you choose the income-producing investments that are appropriate for your needs and that fit well with the rest of your portfolio.

If you've determined your guaranteed income will be sufficient to meet your essential living expenses, have you eliminated longevity risk? Not necessarily – because "essential" expenses don't include unexpected costs, of which there may be many, such as home maintenance and auto repairs.

And, during your retirement years, you'll likely have health care costs. If you dip into your guaranteed income sources to pay for them, you increase the risk of outliving your money.

To avoid this scenario, establish a separate fund, possibly containing a year's worth of living expenses, with the money held in cash or cash equivalents. This money won't grow much, if at all, but it will be there if you need it.

With careful planning, adequate guaranteed income, a sufficient emergency fund and enough other investments to handle nonessential costs, you'll be doing what you can to reduce your own longevity risk. And that will lead to a more enjoyable retirement.

*This article was written by Edward Jones and submitted by Adam Miller, financial advisor at the Astoria office, 632A W. Marine Drive. To reach him, call 503-325-7991.*

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